

Message Text

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ACTION ARA-17

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FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 5573

INFO AMEMBASSY PORT AU PRINCE

LIMITED OFFICIAL USE MEXICO CITY 2803

E. O. 11652: N/ A

TAGS: ETRD, MX

SUBJ: MEXICAN LIME OIL EXPORTS

REF: STATE 068489

1. AS REQUESTED IN REFTTEL, EMBASSY HAS OBTAINED FOLLOWING INFORMATION RE MEXICAN NATIONAL UNION OF LIME OIL PRODUCERS (UNPAL).

2. ORGANIZATION IS QUASI- GOVERNMENTAL AND MEMBERSHIP MADE UP LIME OIL PRODUCERS AND BANCO NACIONAL DE CREDITO EJIDAL, A GOVERNMENT BANK. MOST LIMES PRODUCED IN MEXICO BY EJIDATARIOS AND FINANCED BY BANCO EJIDAL WHICH ACCOUNTS ITS MEMBERSHIP IN UNPAL. THERE CURRENTLY 49 MEMBERS OF UNPAL OF WHICH 24 INCORPORATED COMPANIES AND 25 SMALL FAMILY OWNED OPERATIONS.

3. ALTHOUGH UNPAL HAS BEEN IN OPERATION SINCE FEBRUARY 1943, IT HAS ONLY BEEN IN RECENT YEARS THAT IT HAS BECOME SIGNIFICANT FACTOR LIME OIL TRADE. DUE OVERPRODUCTION LIMES AND RESULTING LOW PRICES, TOLMETPZR WITH THE FACT MOST LIME PRODUCERS ARE ELIDATARIOS, COM UPGRADED UNPAL AND GAVE IT OFFICIAL STATUS UNDER THE SECRETARIAT OF AGRICULTURE, IN EFFORT BETTER CONTROL PRODUCTION AND MARKETING OF LIME OIL AND IMPROVE PRICES TO

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EJIDATARIOS. ALSO, BY CHANNELING ALL LIME EXPORTS THROUGH ONE ORGANIZATION, GOM BELIEVES THERE IS BETTER QUALITY CONTROL AND MORE ORDERLY MARKETING WHICH RESULTS IN HIGHER PRICES RECEIVED FOR THIS PRODUCT ON INTERNATIONAL MARKETS.

4. UNDER AUTHORITY GIVEN UNPAL BY THE SECRETARIAT OF AGRICULTURE, UNPAL ASHAVE NOT BEEN ACTIVE ENOUGH IN ASSURING THAT INFORMATION ABOUT PROJECTS AND CONTRACTS IS WIDELY DISSEMIMMED.

WE HAVE NOW TAKEN STEPS TO REPAIR THOSE DEFICIENCIES WITHIN OUR CONTROL.(#)

36". WE MUST DO SO TO END WHAT HAS BECOME A VERY DIFFICULT SITUATION IN OBTAINING LEGISLATIVE AND PUBLIC SUPPORT.

IN THIS SAME SPIRIT OF CANDOR, ALLOW ME TO URGE THAT THE TIME HAS COME FOR THE BANK TO ESTABLISH A CAPACITY FOR INDEPENDENT EVALUATION OF THE EFFICIENCY AND EFFECTIVENESS WITH WHICH ITS FUNDS HAVE BEEN UTILIZED. WITH EIGHT PROJECTS FINISHED -- AND OTHERS NEARLY SO -- WE ARE IN A POSITION FOR THE FIRST TIME TO RAISE -- AND TO ANSWER -- LEGITIMATE QUESTIONS ABOUT THE FRUITS OF THE BANK' S EFFORTS.

AFTER SOME HESITATION, THE WORLD BANK AND THE INTER- AMERICAN DEVELOPMENT BANK HAVE EACH ADOPTED SUCH " POST AUDIT" MECHANISMS AND PROCEDURES. THIS APPROACH CAN GO A LONG WAY TOWARDS MAINTAINING THE FULL CONFIDENCE OF DONOR GOVERNMENTS. WITH EXPERIENCE, MANAGEMENT ITSELF HAS COME TO SEE THE BENEFITS FROM OBJECTIVE EVALUATION OF THEIR WORK. IN THE LONG RUN, I BELIEVE, RECIPEINT COUNTRIES CAN ONLY GAIN AS WELL.

FINALLY, AFTER SIX YEARS OF OPERATIONS A REVIEW OF THE BANK' S ORGANIZATION AND ITS PROCEDURES IS TIMELY. WE HOPE THE MANGEMENT AND THE EXECUTIVE BOARD WILL INITIATE SUCH AN EFFORT IN THE NEXT YEAR.

NONE OF THESE COMMENTS IN ANY SENSE CALL INTO QUESTION THE EXCELLENT JOB AND THE BANK MANAGEMENT HAS DONE. IT SIMPLY MEANS THAT ENOUGH TIME HAS PASSED, AND ENOUGH EXPERIENCE HAS BEEN GAINED, TO PERMIT CONSTRUCTIVE REVIEW. OUR PROCEDURES AND UNCLASSIFIED

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METHODS SHOULD BE CHANGED TO MEET CURRENT NEEDS IN THE MOST EFFECTIVE WAY.

THE WORLD ECONOMY HAS CHANGED IN MANY WAYS. OVER THE YEARS SINCE WORLD WAR II, OTHER INDUSTRIALIZED NATIONS HAVE GROWN INTO ECONOMIC STRENGTH AND STABILITY, ABLE TO CARRY A LARGER SHARE OF THE RESPONSIBILITY FOR ADVANCING THE DEVELOPMENT OF OTHERS. SOME POORER COUNTRIES HAVE MADE ENORMOUS STRIDES TOWARD SELF- CONFIDENCE AND SELF- RELIANCE -- WHILE OTHERS PLAINLY REQUIRE A LIFT FROM ABROAD TO HELP BREAK A VICIOUS CYCLE OF POVERTY, INEFFICIENCY, AND DEPENDENCE. NOT LEAST ARE THE FRESH OPPORTUNITIES AND CHALLENGE PROVIDED BY THE PROSPECT OF PEACE IN INDOCHINA.

ALL THESE EXTERNAL CHANGES FIND THEIR REFLECTION IN THE INTERNAL WORK OF THE ASIAN DEVELOPMENT BANK. WE PRESS FOR CHANGE WITHIN THE BANK IN A CONSTRUCTIVE SPIRIT, AS WE PRESS AT HOME TO PROVIDE AN APPROPRIATE SHARE OF THE RESOURCES THE BANK REQUIRES. LET THERE BE NO DOUBT -- WE REMAIN COMMITTED TO THE BANK AND TO THE PURPOSES FOR WHICH IT STANDS.

THANK YOU. "
BYROADE

NOTE BY OC/ T: MANILA 4743, SECTION 3, (#) OMISSION. CORRECTION TO FOLLOW.

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